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8
9 **UNITED STATES BANKRUPTCY COURT**
10 **NORTHERN DISTRICT OF CALIFORNIA**
11 **SAN FRANCISCO DIVISION**

12 **In re:**

13 **PG&E CORPORATION,**

14 **- and -**

15 **PACIFIC GAS AND ELECTRIC**
16 **COMPANY,**

17 **Debtors.**

- 18 ☐ Affects PG&E Corporation
19 ☐ Affects Pacific Gas and Electric Company
☒ Affects both Debtors

20 ** All papers shall be filed in the Lead Case, No.*
21 *19-30088 (DM).*

Bankruptcy Case No. 19-30088 (DM)

Chapter 11

(Lead Case) (Jointly Administered)

**REORGANIZED DEBTORS' ONE
HUNDRED NINTH OMNIBUS OBJECTION
TO CLAIMS (BOOKS AND RECORDS
CLAIMS / SATISFIED CLAIMS)**

Response Deadline:
October 26, 2021, 4:00 p.m. (PT)

Hearing Information If Timely Response Made:

Date: November 9, 2021

Time: 10:00 a.m. (Pacific Time)

Place: (Tele/Videoconference Appearances Only)

United States Bankruptcy Court

Courtroom 17, 16th Floor

San Francisco, CA 94102

1 **TO: (A) THE HONORABLE DENNIS MONTALI, UNITED STATES BANKRUPTCY**
2 **JUDGE; (B) THE OFFICE OF THE UNITED STATES TRUSTEE; (C) THE AFFECTED**
3 **CLAIMANTS; AND (D) OTHER PARTIES ENTITLED TO NOTICE:**

4 PG&E Corporation (“**PG&E Corp.**”) and Pacific Gas and Electric Company (the “**Utility**”), as
5 debtors and reorganized debtors (collectively, the “**Debtors**,” or as reorganized pursuant to the Plan (as
6 defined below), the “**Reorganized Debtors**”) in the above-captioned Chapter 11 cases (the “**Chapter 11**
7 **Cases**”), hereby submit this One Hundred Ninth Omnibus Objection (the “**Objection**”) to the claims
8 identified in the columns headed (i) “Claims To Be Reduced or Disallowed” on **Exhibit 1** annexed
9 hereto, and (ii) “Claims To Be Disallowed and Expunged” on **Exhibit 2** annexed hereto.

10 **I. JURISDICTION**

11 This Court has jurisdiction over this Objection under 28 U.S.C. §§ 157 and 1334; the *Order*
12 *Referring Bankruptcy Cases and Proceedings to Bankruptcy Judges*, General Order 24 (N.D. Cal.); and
13 Rule 5011-1(a) of the Bankruptcy Local Rules for the United States District Court for the Northern
14 District of California (the “**Bankruptcy Local Rules**”). This matter is a core proceeding pursuant to 28
15 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409. The
16 statutory predicates for the relief requested are section 502 of Title 11 of the United States Code (the
17 “**Bankruptcy Code**”) and Rule 3007 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy**
18 **Rules**”).

19 **II. BACKGROUND**

20 On January 29, 2019 (the “**Petition Date**”), the Debtors commenced with the Court voluntary
21 cases under Chapter 11 of the Bankruptcy Code. Prior to the Effective Date (as defined below), the
22 Debtors continued to operate their businesses and manage their properties as debtors in possession
23 pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner was appointed
24 in either of the Chapter 11 Cases. The Chapter 11 Cases are being jointly administered for procedural
25 purposes only pursuant to Bankruptcy Rule 1015(b).

26 Additional information regarding the circumstances leading to the commencement of the
27 Chapter 11 Cases and information regarding the Debtors’ businesses and capital structure is set forth in
28 the *Amended Declaration of Jason P. Wells in Support of the First Day Motions and Related Relief*
[Docket No. 263].

1 On July 1, 2019, the Court entered the *Order Pursuant to 11 U.S.C. §§ 502(b)(9) and 105(a),*
2 *Fed. R. Bankr. P. 2002, 3003(c)(3), 5005, and 9007, and L.B.R. 3003-1 (I) Establishing Deadline for*
3 *Filing Proofs of Claim, (II) Establishing the Form and Manner of Notice Thereof, and (III) Approving*
4 *Procedures for Providing Notice of Bar Date and Other Information to All Creditors and Potential*
5 *Creditors* [Docket No. 2806] (the “**Bar Date Order**”). The Bar Date Order set the deadline to file all
6 proofs of claim (each, a “**Proof of Claim**”) in respect of any prepetition claim (as defined in section
7 101(5) of the Bankruptcy Code), including all claims of Fire Claimants (as defined therein), Wildfire
8 Subrogation Claimants (as defined therein), Governmental Units (as defined in section 101(27) of the
9 Bankruptcy Code), and Customers, and for the avoidance of doubt, including all secured claims and
10 priority claims, against either of the Debtors as October 21, 2019 at 5:00 p.m. Pacific Time (the “**Bar**
11 **Date**”). The Bar Date later was extended solely with respect to unfiled, non-governmental Fire
12 Claimants to December 31, 2019 [Docket No. 4672]¹; and subsequently with respect to certain claimants
13 that purchased or acquired the Debtors’ publicly held debt and equity securities and may have claims
14 against the Debtors for rescission or damages to April 16, 2020 [Docket No. 5943].

15 By Order dated June 20, 2020 [Dkt. No. 8053], the Bankruptcy Court confirmed the *Debtors’*
16 *and Shareholder Proponents’ Joint Chapter 11 Plan of Reorganization Dated June 19, 2020* (as may be
17 further modified, amended or supplemented from time to time, and together with any exhibits or
18 scheduled thereto, the “**Plan**”). The Effective Date of the Plan occurred on July 1, 2020 (the “**Effective**
19 **Date**”). See Dkt. No. 8252.

20 **III. RELIEF REQUESTED**

21 The Reorganized Debtors file this Objection, pursuant to section 502 of the Bankruptcy Code,
22 Bankruptcy Rule 3007, Bankruptcy Local Rule 3007-1, and the *Order Approving (A) Procedures for*
23 *Filing Omnibus Objections to Claims and (B) the Form and Manner of the Notice of Omnibus*
24 *Objections*, dated June 30, 2020 [Docket No. 8228] (the “**Omnibus Objections Procedures Order**”),
25 seeking entry of an order disallowing and expunging the claims as further described below.

26
27 ¹ The claims of Fire Claimants will be administered through the Fire Victim Trust and the claims of
28 Wildfire Subrogation Claimants through the Subrogation Wildfire Trust in accordance with the Plan.

1 **IV. ARGUMENT**

2 The Omnibus Objections Procedures Order supplemented Bankruptcy Rule 3007(d) to permit the
3 Reorganized Debtors to file objections to more than one claim if either (1) “[t]he amount claimed
4 contradicts the Debtors’ books and records and the Debtors, after review and consideration of any
5 information provided by the Claimant, deny liability in excess of the amount reflected in the Debtors’
6 books and records” or (2) if “they have been satisfied or released during the case in accordance with the
7 Code, applicable rules, or a court order.” Fed. R. Bankr. P. 3007(d)(5); Omnibus Objections Procedures
8 Order, ¶ 2(C)(i). Bankruptcy Rule 3007(e) requires that an omnibus objection must list the claimants
9 alphabetically and by cross-reference to claim numbers.

10 Each of the Claimants on **Exhibit 1** and **Exhibit 2** is listed alphabetically, and the claim
11 number and amount are identified in accordance with Bankruptcy Rule 3007(e). Furthermore, in
12 accordance with the Omnibus Objections Procedures Order, the Reorganized Debtors have sent
13 individualized notices to the holders of each of the Books and Records Claims and Satisfied Claims,
14 each as defined and described below.

15 **A. The Books and Records Claims Should be Disallowed and Expunged**

16 The Reorganized Debtors seek entry of an order (i) disallowing and expunging the claims
17 identified herein that the Reorganized Debtors have determined, based on a review of their books and
18 records, assert amounts for which they are not liable (the “**Books and Records Claims**”). Each of the
19 Books and Records Claims identified on **Exhibit 1**² seeks an amount that contradicts the Reorganized
20 Debtors’ books and records. The Reorganized Debtors have determined that the Books and Records
21 Claims assert liabilities for which the Reorganized Debtors are not liable or are in excess of the amounts
22 as reflected in their books and records. In some cases, parts of the excess amounts asserted in the Books
23 and Records Claims were satisfied by, among other things, payments made during the Chapter 11 Cases
24 pursuant to Court orders or as cure payments made in connection with the Reorganized Debtors’
25 assumption of executory contracts under the Plan. In other cases, parts of the excess amounts asserted

26
27 ² Claims listed on **Exhibit 1** as “Unliquidated Claims” assert unliquidated amounts. For the Claims
28 that assert an unliquidated amount and the Reduced Claim Amount is zero, the Reorganized Debtors
seek to have the Claim disallowed and expunged.

1 in the Books and Records Claims were paid in the ordinary course of business.

2 The Reorganized Debtors request that the Books and Records Claims be disallowed and
3 expunged in their entirety because the Reduced Claim Amount for every Books and Records Claim is
4 zero.

5 **B. The Satisfied Claims Should Be Disallowed and Expunged**

6 The Reorganized Debtors seek entry of an order disallowing and expunging claims that the
7 Reorganized Debtors have determined were satisfied or released during or prior to the commencement
8 of these Chapter 11 Cases in accordance with the Bankruptcy Code, any applicable rules, or Court orders
9 (the “**Satisfied Claims**”). The Satisfied Claims are identified on **Exhibit 2**, in the column headed
10 “Claims To Be Disallowed and Expunged,” and are classified in the “Basis for Objection” column as
11 “Satisfied Claims,” referring to Claims that have been satisfied prior to or during the pendency of these
12 Chapter 11 Cases, in some cases by payments pursuant to an order granting one of the Debtors’ first-day
13 motions.

14 Each of the Satisfied Claims identified on **Exhibit 2** has been satisfied prior to or over the course
15 of the Chapter 11 Cases. Accordingly, the Reorganized Debtors request that the Court disallow and
16 expunge the Satisfied Claims in their entirety.

17 **C. The Claimants Bear the Burden of Proof**

18 A proof of claim is “deemed allowed, unless a party in interest . . . objects.” 11 U.S.C. § 502(a).³
19 Section 502(b)(1) of the Bankruptcy Code, however, provides in relevant part that a claim may not be
20 allowed if “such claim is unenforceable against the debtor and property of the debtor, under any
21 agreement or applicable law.” 11 U.S.C. § 502(b)(1). Once the objector raises “facts tending to defeat
22 the claim by probative force equal to that of the allegations of the proofs of claim themselves,” *Wright*
23

24 ³ Upon the Reorganized Debtors’ request, the deadline under Section 7.1 of the Plan for the Reorganized
25 Debtors to bring objections to Claims initially was extended through and including June 26, 2021 (except
26 for Claims of the United States, which deadline was extended to March 31, 2021) [Docket No. 9563].
27 That deadline has been further extended through December 23, 2021, [Docket No. 10494] except for
28 Claims of the California Department of Forestry and Fire Protection, which deadline was extended to
September 30, 2021, and further extended for certain Claims by stipulation and order [Docket Nos.
11322 and 11336]. The deadlines with respect to Claims of the United States have twice been further
extended by stipulation and order [Docket Nos. 10459, 10463, 10983, and 10986].

1 v. *Holm (In re Holm)*, 931 F.2d 620, 623 (9th Cir. 1991), quoting 3 L. King, *Collier on Bankruptcy*
2 § 502.02 at 502-22 (15th ed. 1991), then “the burden reverts to the claimant to prove the validity of the
3 claim by a preponderance of the evidence.” *Ashford v. Consolidated Pioneer Mortgage (In re*
4 *Consolidated Pioneer Mortgage)*, 178 B.R. 222, 226 (B.A.P. 9th Cir. 1995) (quoting *In re Allegheny*
5 *Int’l, Inc.*, 954 F.2d 167, 173-74 (3d Cir. 1992)), *aff’d without opinion* 91 F.3d 151 (9th Cir. 1996).
6 “[T]he ultimate burden of persuasion is always on the claimant.” *Holm*, 931 F.2d at 623 (quoting King,
7 *Collier on Bankruptcy*); *see also Lundell v. Anchor Constr. Specialists, Inc.*, 223 F.3d 1035, 1039 (9th
8 Cir. 2000); *Spencer v. Pugh (In re Pugh)*, 157 B.R. 898, 901 (B.A.P. 9th Cir. 1993); *In re Fidelity*
9 *Holding Co.*, 837 F.2d 696, 698 (5th Cir. 1988).

10 As set forth in Section IV.A above, the Reorganized Debtors are not liable on the Books and
11 Records Claims beyond the “Reduced Claim Amount” listed on **Exhibit 1**—which, for every Books and
12 Records Claim, is zero—and they deny any liability in excess of the Reduced Claim Amount. On that
13 basis, the Reorganized Debtors submit that the Books and Records Claims should be disallowed and
14 expunged in their entirety. If any holder of a Books and Records Claim believes that it is owed more
15 than the Reduced Claim Amount, it must present affirmative evidence to establish its entitlement to such
16 excess amount.

17 As set forth in Section IV.B above, the Reorganized Debtors submit that the Satisfied Claims
18 already have been satisfied prior to or over the course of the Chapter 11 Cases and, therefore, should be
19 disallowed and expunged. If any Claimant believes that a Satisfied Claim has not been satisfied in full,
20 it must present affirmative evidence demonstrating the validity of that claim.

21 **V. RESERVATION OF RIGHTS**

22 The Reorganized Debtors hereby reserve the right to object, as applicable, in the future to any of
23 the Proofs of Claim listed in this Objection on any ground, and to amend, modify, or supplement this
24 Objection to the extent an objection to a claim is not granted, and to file other objections to any proofs
25 of claims filed in these cases, including, without limitation, objections as to the amounts asserted therein,
26 or any other claims (filed or not) against the Debtors, regardless of whether such claims are subject to
27 this Objection. A separate notice and hearing will be scheduled for any such objections. Should the
28 grounds of objection specified herein be overruled, wholly or in part, the Reorganized Debtors reserve

1 the right to object to the Books and Records Claims and Satisfied Claims on any other grounds that the
2 Reorganized Debtors may discover or deem appropriate.

3 **VI. NOTICE**

4 Notice of this Objection will be provided to (i) holders of the Books and Records Claims and
5 Satisfied Claims; (ii) the Office of the U.S. Trustee for Region 17 (Attn: Andrew R. Vara, Esq. and
6 Timothy Laffredi, Esq.); (iii) all counsel and parties receiving electronic notice through the Court's
7 electronic case filing system; and (iv) those persons who have formally appeared in these Chapter 11
8 Cases and requested service pursuant to Bankruptcy Rule 2002. The Reorganized Debtors respectfully
9 submit that no further notice is required. No previous request for the relief sought herein has been made
10 by the Reorganized Debtors to this or any other Court.

11 WHEREFORE the Reorganized Debtors respectfully request entry of an order granting (i) the
12 relief requested herein as a sound exercise of the Reorganized Debtors' business judgment and in the
13 best interests of their estates, creditors, shareholders, and all other parties' interests, and (ii) such other
14 and further relief as the Court may deem just and appropriate.

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17 Dated: September 28, 2021

KELLER BENVENUTTI KIM LLP

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19 By: /s/ Thomas B. Rupp
Thomas B. Rupp

20 *Attorneys for Debtors and Reorganized Debtors*
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